

anticipated and predicted by any of the statistics available at the time of the passage of the bill, and more importantly it has had a much greater impact on the livestock industry of Nebraska than I think any of us anticipated at that time. As you recall, by requiring that all personal property that is depreciable must be de...must be reported for income tax...for property tax purposes. That required in Nebraska all purchased breeding livestock to be valued for, for the most part, all of its...its life. Breeding hogs, for an example, have a three year depreciation schedule. The practical affect of that is that a breeding hog very seldom has more than a three year lifespan within a commercial operation. Dairy and beef cattle, purchased cattle have a five year depreciation schedule applied to them. Certainly in dairy cattle, and to a lesser extent in beef cattle, the useful life of these animals, since they're normally two to three years old when they're purchased for breeding purposes, is accomplished before or at the time that they go off the personal property schedule. So the net result of 1063, for the animal industry of Nebraska, that we have citizens of Nebraska who are called to pay personal property tax forever on the greater portion of their purchased products, an item of property that has not been taxed for some 20 years, and it is our fear that as a result of the implementation of 1063 and its provisions that we will see a declining value in Nebraska from our breeding industry. You must continually upgrade, you must buy new male breeding stock, whatever you're in, and certainly a great number of people buy new female stock to raise higher quality beef, to address the changing dietary demands and preference of our citizens and to discourage that by a local property tax measure, which is what this is, is not in the best interest of the future of the State of Nebraska. I want to be right up front and share with you this statement, I'm not, as all of you know, a very good deal maker or a very good game player. If the committee amendment is adopted to 447, that will provide us, this year...

SPEAKER BAACK: One minute.

SENATOR COORDSEN: ...or next year, with a germane vehicle for the possibility of amending or trying to amend a property tax exemption for breeding livestock. I know we have no secrets around here, but I wanted to make sure you understood that in addition to the provision for the study, it also makes 447 germane to the other issue in the event that further study of the issue, further compilation of statistics indicates that